# Allocating Assets in a Volatile Market – Clues From Economic Indicators

## Oak Ridge 401(k) Savings Program


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***Communications Specialist***

**The 401(k) Company**

WHAT WE'LL DISCUSS TODAY:

# Allocating Assets in a Volatile Market – Clues From Economic Indicators:

- Financial Crisis, Economic Indicators and Protecting Your Assets
- Market Volatility and Coping With It
- Long-term View Toward Strategy
- Strategic Asset Allocation and Diversification
- Risk/Return Factors and Assessing and Managing Risk
- Choosing the Right Benchmarks
- Rebalancing

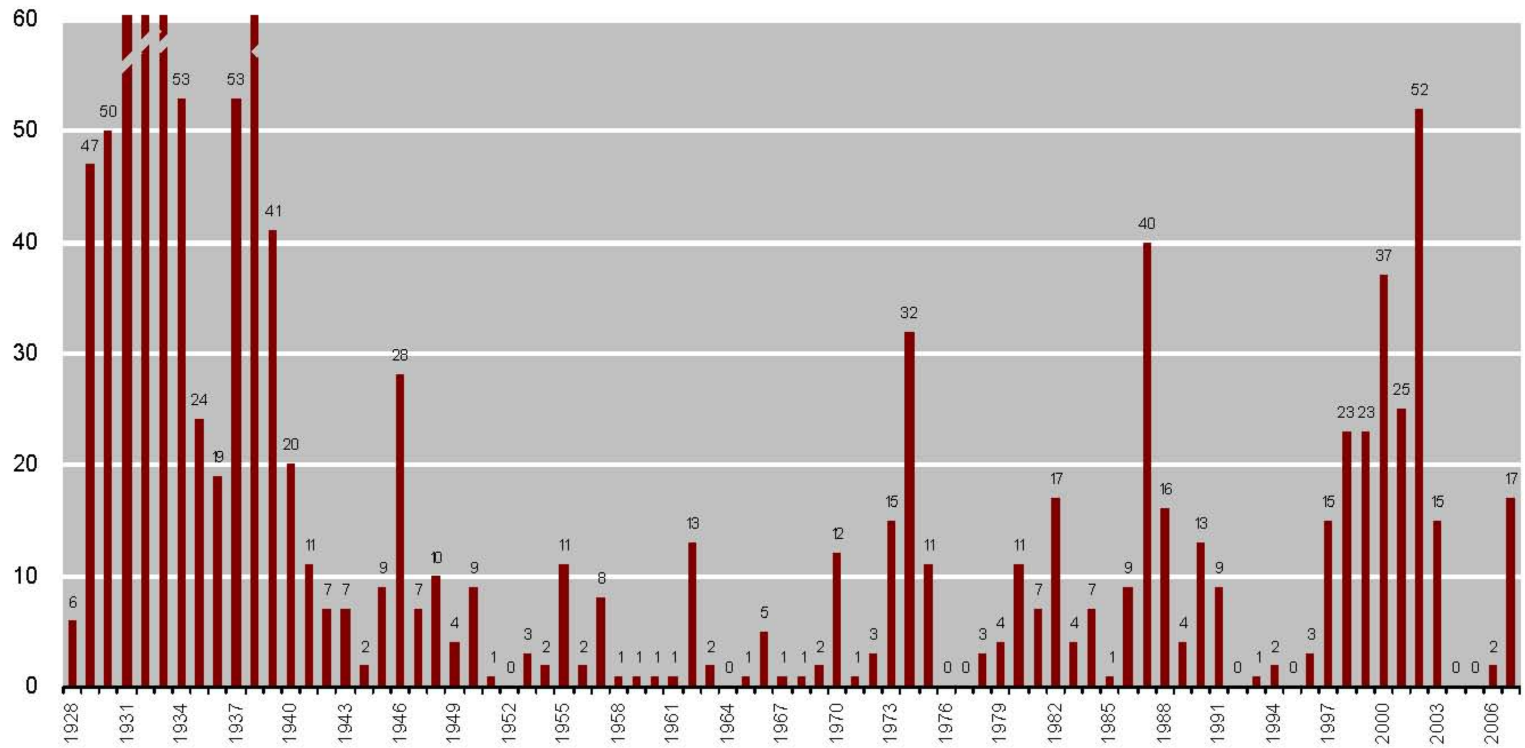
# The Financial Crisis:

- For Investors, the bearish factor will weigh on stock prices and keep credit spreads higher than we've seen in the past.
- Wide spreads will tend to hurt corporate borrowers and weigh on the net asset values (NAVs) of bond funds that hold riskier bonds in their portfolios.
- Bond funds that hold Treasuries tend to have better than average credit ratings.

# Financial Crisis

## *Big changes can happen in short periods*

Days with S&P 500® Index volatility over 2% (1928-2007)




Source: Schwab Center for Financial Research with data provided by Standard and Poor's. The chart above depicts the total number of days within a given year in which the daily change of the S&P 500 Index exceeded 2%. The time periods are one year in length and do not overlap. The year begins on the first trading day of January and ends on the last trading day of December and daily close prices were used for the period 1928 through 2007. Indices are unmanaged, do not incur fees or expenses and cannot be invested in directly. Past results are not indicative of future performance.

# Economic Indicators

Understand exactly how these leading indicators will affect your retirement investments. The market's reactions to economic indicators are often short-lived. As a long-term retirement investor, you need to pay attention to your own investment roadmap and not get distracted by misleading signs.

***Consumer Price Index (CPI).*** This is the rate of inflation.

***Unemployment Rate.*** The monthly rise or fall in unemployment is an indicator of economic health.

***Job Growth.*** A strong increase in the number of new jobs indicates an expanding economy and tends to boost consumer confidence.

***Consumer Confidence Index (CCI).*** The CCI reflects consumers' perceptions about the economy and their spending plans.

***Housing Starts.*** When housing starts are high, it means that there has been a lot of construction on new houses, condos, and apartment buildings. Low housing starts could indicate that the economy is slowing down.

***Gross Domestic Product (GDP).*** The GDP measures the total value of all the finished goods and services produced within the United States. A flat or shrinking GDP suggests recession may lie ahead, while a rapidly growing GDP raises fears of inflation. Moderate growth, however, suggests a stable economy.

# Economic Indicators

Several economic indicators and global inflation drivers have put investors on edge and may continue to weigh on the U.S. economy and stocks and bonds for some time:

- Housing Market
- Credit Market
- Weak Dollar
- Inflation
- Oil Prices
- Food Prices

Global inflation will likely impact investors by:

- An eventual shift toward U.S. outperformance relative to international markets.
- A leadership shift within U.S. equities from industries with a global tilt to those whose fortunes are tied more directly to the U.S. economy.
- A potential rotation in emerging markets from resource providers to users.
- The U.S. dollar may rally due to a growing global inflation problem.

## Economic Indicators

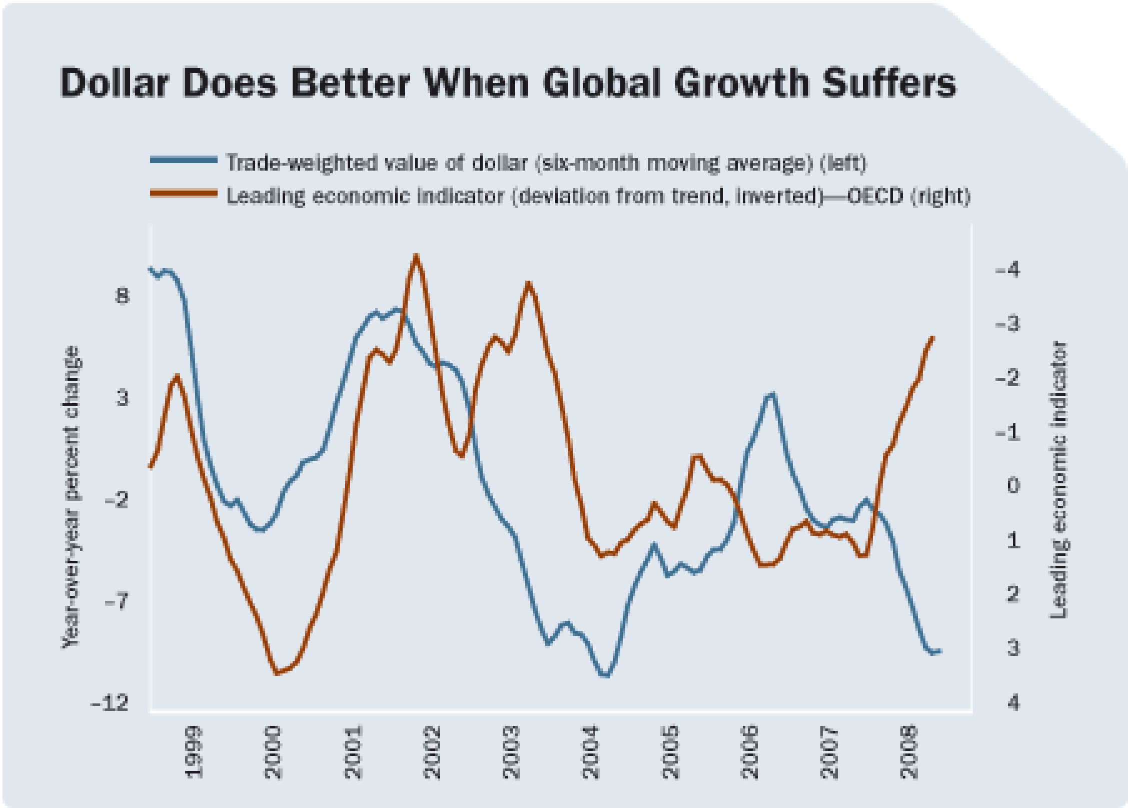
U.S. inflation is relatively controlled. Despite the alarming trends, overall inflation will likely ease in the coming months:

- Housing Market is still in the trenches; until excessive inventories decline, home prices will likely keep falling.
- Businesses, especially nonfinancial companies, generally have strong balance sheets but aren't hiring.
- Deleveraging still continues; while the financial system is hanging on, lending standards are likely to remain high and credit availability will likely remain scarce.

U.S. consumers will likely remain under pressure.

- Spending on essential items has risen to a record 56% due to increasing food and energy costs.
- Wage growth, which has the primary influence on U.S. consumer prices, is likely to stay tame as long as inflation expectations remain tethered.

# Economic Indicators

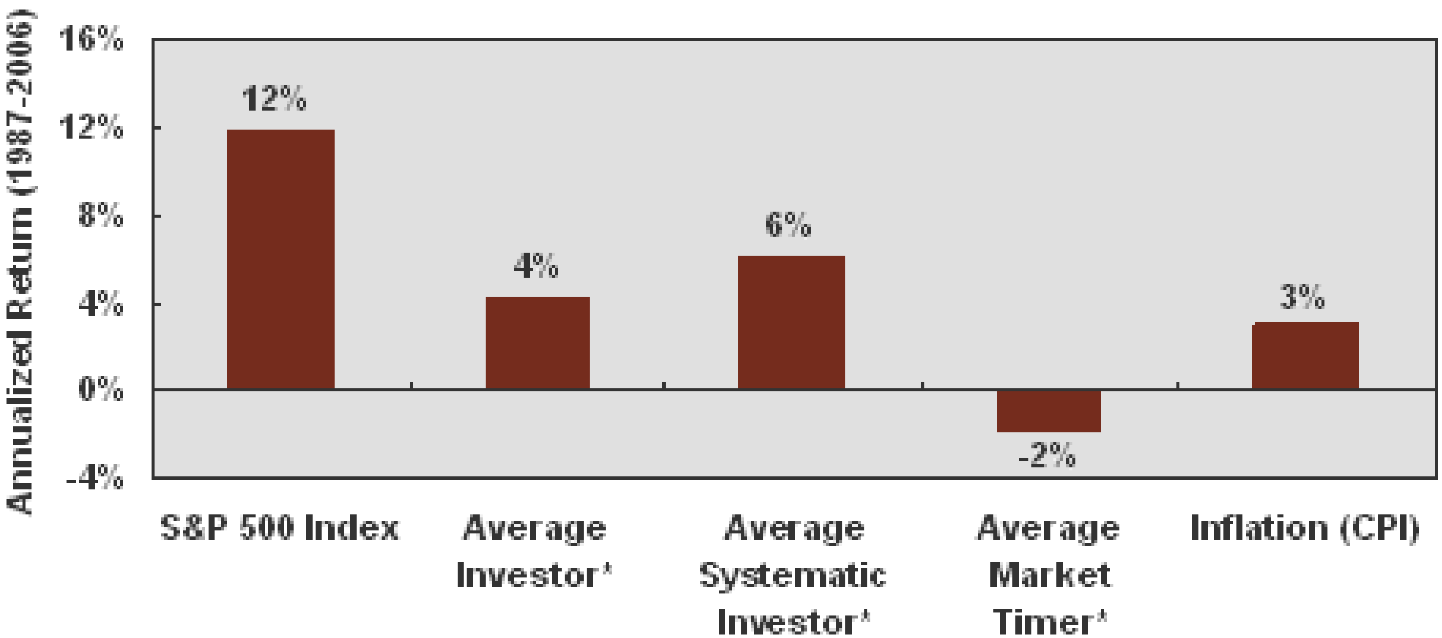



Source: FactSet, OECD and Federal Reserve, as of July 1, 2008.

The trend in the U.S. dollar has historically been a key factor in determining U.S. stock performance relative to international. Many institutional investors are now looking to decrease European exposure in favor of U.S. markets. A sustained dollar rally would likely bolster this shift toward U.S. stocks.

## Market Volatility

# Market Strong…Investors Wrong:




For the 20 years 1987-2006, the S&P 500 index had an annualized return of 12%. The average equity investor had significantly lower returns – only 4% annualized (barely nudging out inflation). Investors consistent with investments had 6% return and those who timed the market saw return drop with 2% loss.

*Measures returns of investors in equity mutual funds. Source: Bureau of Labor Statistics, DALBAR Quantitative Analysis of Investor Behavior 2007 (www.dalbarinc.com). Returns are compounded monthly and are based on the performance of an unmanaged index. As such, no one can invest directly in an index. There can be no certainty any investment will be profitable regardless of the length it is held.

***Past performance is no guarantee of future results.***

# Don’t Panic When the Markets are Jumpy!

- Beware of taking *action* as a result of your nervousness without giving thought to your overall investment strategy.
- Avoid hasty decisions and let a long-range perspective be your guiding strategy.
- Don’t let market fluctuations dictate your investment decisions. History has shown that the impact of short-term market losses diminishes over longer investment time frames.
- Prepare yourself to weather periodic market downturns.
- Diversify!

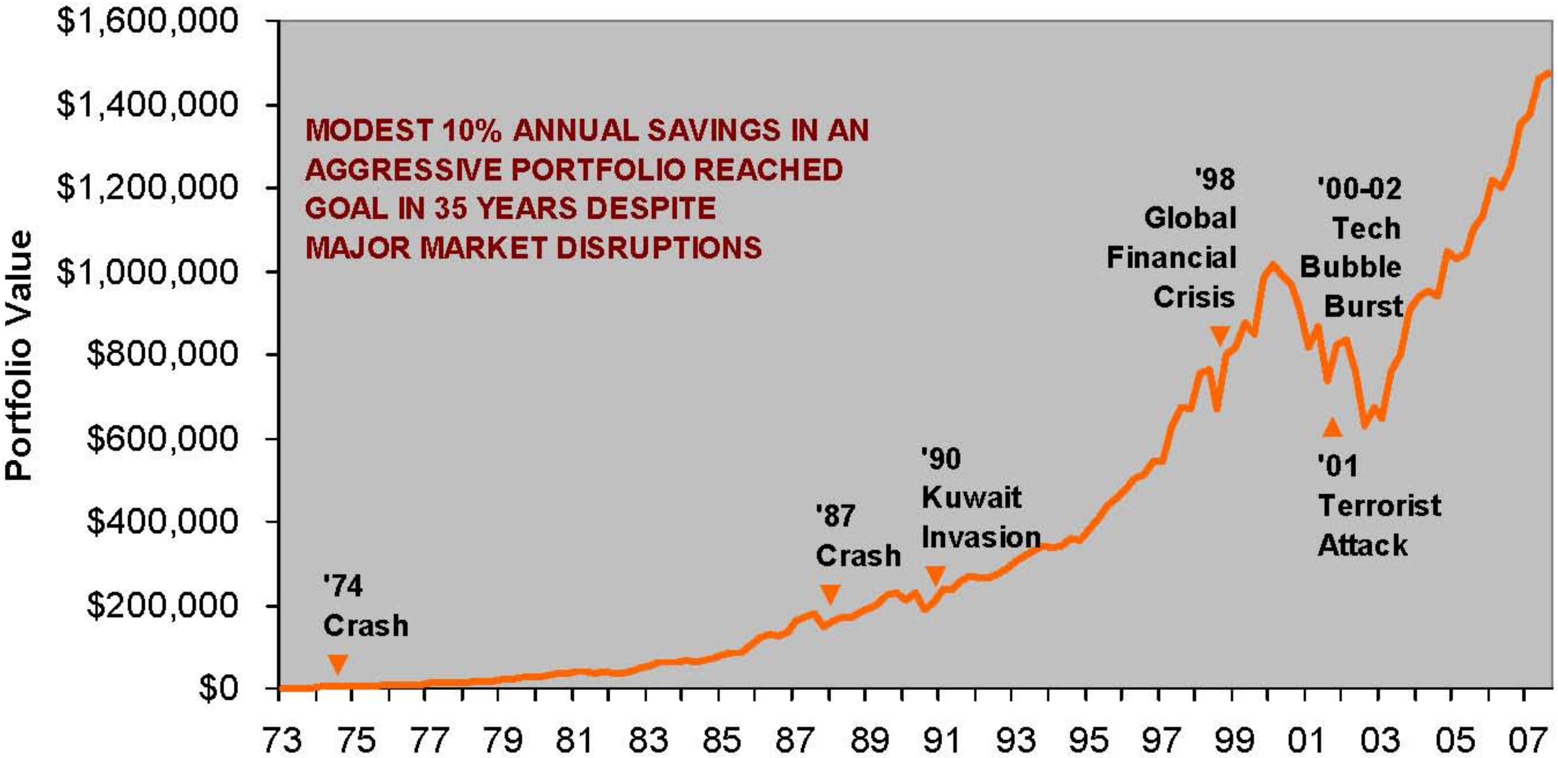
## How to Cope With the Ups and Downs of Investing

- Fluctuation is an unavoidable part of the investing process. From an economic cycle view, fluctuation is pretty normal.
- When markets change, that's not necessarily your cue to change the investments in your account. The biggest mistake you can make is to panic when your investments take a temporary dip.
- Investors often sell their holdings at the worst time – when the value of their investment is low. History has shown a longer term approach has been the best way to go.

# Market Volatility

## *Progress toward goal more important than short-term performance*

Hypothetical saver starting out in 1973 followed plan

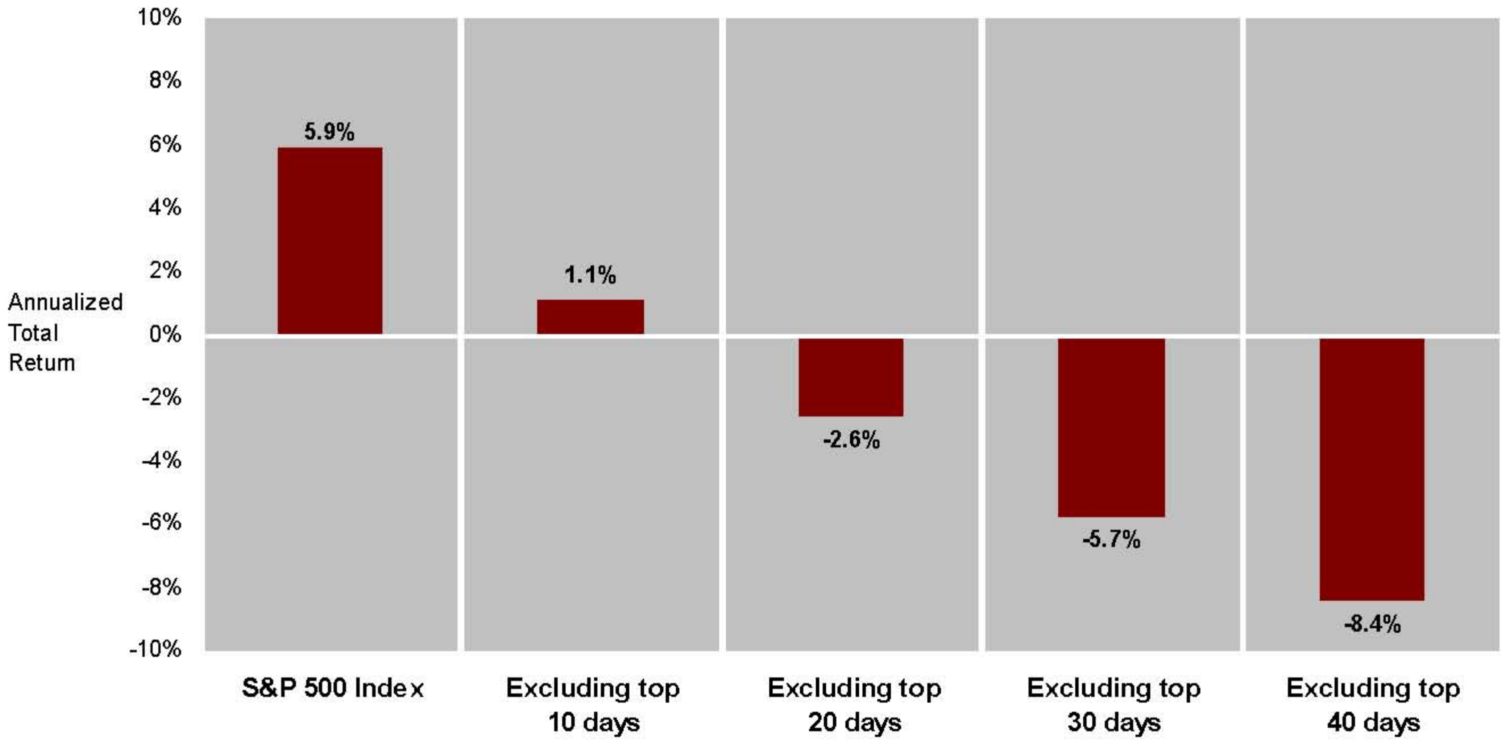



Source: Schwab Center for Financial Research with data provided by Morningstar, Inc. The chart illustrates the growth in value of saving 10% of annual salary invested according to the Schwab Aggressive Model Plan. The saver is a 25-year old in 1973, whose 1973 salary of $21,000 is assumed to grow at 3% annual inflation and an additional 10% due to promotion every 5 years to reach $100,000 in 2007. The asset allocation plan is weighted averages of the performance of the indices used to represent each asset class in the plans and are rebalanced annually. Returns include reinvestment of dividends and interest. The indices representing each asset class are S&P 500® Index (large-cap stocks), Russell 2000 Index (small-cap stocks), MSCI EAFE Net of Taxes (international stocks), Lehman Brothers U.S. Aggregate Index (bonds), and Citigroup U.S. 3-month Treasury bills (cash). The Aggressive allocation is 50% large-cap stocks, 20% small-cap stocks, 25% international stocks, and 5% cash. CRSP 6-8 was used for small-cap stocks prior to 1979, Ibbotson Intermediate-Term Government Bond Index was used for bonds prior to 1976, and Ibbotson U.S. 30-day Treasury Bill Index was used for cash prior to 1978. Indices are unmanaged, do not incur fees or expenses, and cannot be invested in directly. Portfolio is hypothetical in nature. ***Past performance is no indication of future results.***

# Market Volatility

## *Time in the market is more important than timing the market*

(1998-2007)




Source: Schwab Center for Financial Research with data provided by Standard and Poor's. Return data is annualized based on an average of 252 trading days within a calendar year. The year begins on the first trading day in January and ends on the last trading day of December, and daily total returns were used. Returns assume reinvestment of dividends. When out of the market, cash is not invested. Market returns are represented by the S&P 500 Index which represents an index of widely traded stocks. Top days are defined as the best performing days of the S&P 500 during the ten-year period. Indices are unmanaged, do not incur fees or expenses, and cannot be invested in directly. ***Past performance is no guarantee of future results.***

# Missing a Market Rally

- While past performance is no guarantee of future results, history shows:
  - The market typically bounces back months before the economy does—and if you're not in the market, you may miss out on some potential gains.
  - The market starts falling roughly seven months before a recession begins and starts rising around six months into the recession. Seen another way, the market has typically rallied a good four months before the average recession ends.
  - Trying to time the market using "official" economic declarations is a late and most likely a losing strategy.
  - The power of compounding is beneficial when a market rallies. The basic premise is that in upward-trending markets you can reinvest investment proceeds that, in turn, provide additional investment returns, accelerating potential wealth accumulation over time.

## Responding to Sudden Changes in the Market

- Remember you don't realize a loss on an investment until you sell it.
- Consult an investment professional when you have questions and concerns or if you want to review your strategy.
- Regardless of your asset allocation strategy and selected investments, a well-crafted plan of action over the long-term can help you weather changing market conditions as you aim to meet your investment goals.
- Staying committed to a sensible asset allocation plan is one of the key elements to surviving a down market.

## Asset Allocation in Volatile Markets

- As you get closer to retirement, managing investment risk generally means moving some assets out of stock funds into income-producing equities and bonds.

- Determine percentage of assets to transfer, and when. Include some investments with growth potential (and therefore greater risk to principal) since you'll need more money if you live longer than expected. Without growth potential, you're vulnerable to inflation.

- Keep in mind that your attitude toward investment risk may—and probably should—change over time. As a primary source of support for a number of people, you may be willing to take less investment risk than you did when you were responsible for just yourself.

- The larger your investment base, the more willing you may be to take added risk with a portion of your total portfolio.

# Long-Term Market Return Estimates

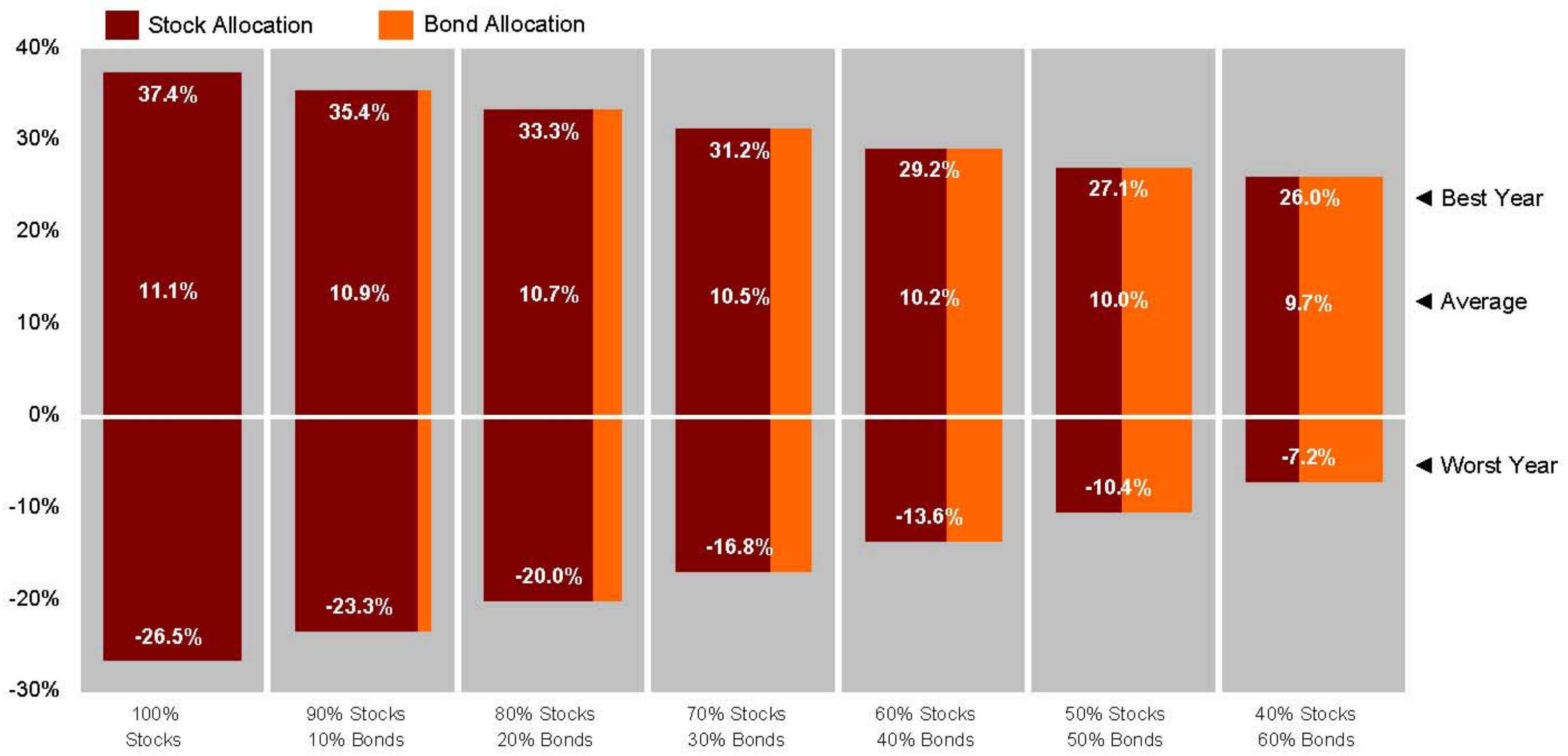
Having long-term return expectations for your investment portfolio is critical in determining your strategic asset allocation and is an important component to assess the likelihood of meeting your planned objectives:

- After setting your strategic asset allocation, determine Long- vs. Short-term return forecasts. For example, a long-term strategic allocation might be 50% stocks and 50% bonds.
- Depending on the market environment, you may decide to adjust your tactical asset allocation or make temporary shifts when estimates of short-term returns deviate from long-term estimates. For example, you may want to shift more assets into a different asset class during a short-term period as an adjustment.
- Short-term return estimates are typically based on current economic and market conditions but are not as appropriate for meeting your long-term goals.

# Asset Allocation

## Fixed income investments can lower portfolio volatility

Range of annual returns (1970-2007)




Source: Schwab Center for Financial Research with data provided by Morningstar, Inc. Stocks are represented by total annual returns of the S&P 500® Index, and bonds are represented by total annual returns of the Ibbotson U.S. Intermediate Government Bond Index. The return figures are the average, the maximum, and the minimum annual total return for the portfolios represented in the chart, and are rebalanced annually. Returns include reinvestment of dividends, interest, and capital gains. Indices are unmanaged, do not incur fees or expenses, and cannot be invested in directly.

***Past performance is no indication of future results.***

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## Why Be in the Stock Market?

- Cash doesn't cut it long term. History has shown that cash simply doesn't do very well in comparison to other asset classes.
- Whatever news is out there tends to be reflected quickly in the stock price. In the face of a shaky economy, an immediate reaction for many is to want to sell. History suggests that one of the primary reasons why most investors underperform market averages over the long-term is that they sell after prices have declined due to a string of bad news, and they buy after a rise in prices caused by a string of positive news.

## Check an Investment's Fit

**Here are some important things to look for when evaluating the investments that are available through the Savings Program:**

- **Know the Fund's Holdings and Risk** - Knowing the types of securities a fund holds is important because each type has a different degree of risk, ranging from very high (international stocks) to high (stocks) to medium (bonds) to low (cash equivalents).
- **Check the Historical Returns** - check the fund's past returns over a range of periods, such as one, five, and ten years.
- **Benchmark Performance** - compare the fund's actual performance to the overall market performance for *similar* investments over the same periods. Look at a market index that invests in securities that are comparable to the fund's holdings.
- **Compare the Short- and Long-term Average Annual Returns of Major Asset Classes**

# Diversification

- Dividing your money among different types of investments is one of the key elements to controlling risk. Mix in liquid and cash investments to avoid under or over weighting.
- Investing in a balanced portfolio of stocks of large and small U.S. companies, foreign companies and bonds, you'll have the potential to reap good returns with less volatility.
- Mutual funds invest in all types of assets, so they make asset allocation easier for you.
- Asset allocation can balance out the highs and lows.

*Asset Allocation and diversification are not guarantees against the loss of principal.*

# Fund Investments

## Fund Fact Sheet

See total net assets held in each fund.

Oak Ridge 401(k) Savings Program

Fund Fact Sheet

### Goldman Sachs Small Cap Value Inst

June 30, 2008

GSSIX

**Portfolio Statistics**

| | |
|---|---|
| Total Net Assets (As of 06/30/08) | $617.85M |

| Top 10 Holdings (As of 03/31/08) | % of Fund |
|---|---|
| W-H Energy Services, Inc. | 1.68% |
| El Paso Electric Company | 1.62% |
| Petroleum Development Corporation | 1.56% |
| Oil States International, Inc. | 1.45% |
| Proassurance Corporation | 1.36% |
| Minerals Technologies, Inc. | 1.29% |
| Parkway Properties, Inc. | 1.29% |
| H.B. Fuller Company | 1.28% |
| Watsco, Inc. | 1.25% |
| Max Re Capital, Ltd. | 1.22% |

| Sector Weighting (% of equity as of 03/31/08) | |
|---|---|
| Financials | 32.00% |
| Industrials | 16.37% |
| Information Technology | 13.31% |
| Consumer Discretionary | 9.62% |
| Energy | 8.13% |
| Materials | 6.69% |
| Health Care | 5.91% |
| Utilities | 5.78% |
| Consumer Staples | 1.88% |
| Telecommunication Services | 0.31% |

Portfolio Statistics are based on a percentage of total net assets and are subject to change.

N/A = not available or not applicable

**Morningstar Category**

Small Value

**Portfolio Composition (As of 03/31/08)**

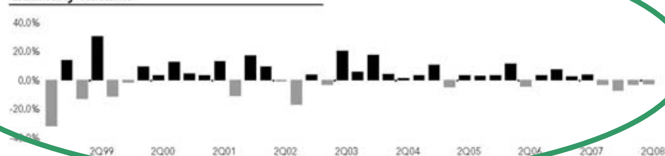
| | |
|---|---|
| Stocks | 98.04% |
| Bonds | 0.00% |
| Cash | 1.69% |
| Other | 0.27% |

**Performance (As of 06/30/08)**

| Average Annual Total Return | |
|---|---|
| 1 Year | -16.06% |
| 3 Year | 3.39% |
| 5 Year | 9.89% |
| 10 Year | 7.68% |
| Since Inception | 8.55% |

View current and historical performance.

**Quarterly Returns**




Return information represents past performance which does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain current performance data as of the most recent month end, go to www.401kaccess.com.

The above information contains general information regarding the fund's investment objective. The prospectus includes investment objectives, risks, trading policies, charges and expenses of the fund which should be carefully considered before investing. In addition, the prospectus contains other information about the fund. To request a prospectus, which should be carefully read before investing and money, log on to www.401kaccess.com or call 1-800-777-401k.

FUNDS ARE NOT INSURED OR GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) OR ANY OTHER GOVERNMENTAL AGENCY, ARE NOT DEPOSITS OR OBLIGATIONS OF ANY BANK OR OTHER ENTITY, AND ARE SUBJECT TO INVESTMENT RISKS, INCLUDING THE POSSIBLE LOSS OF PRINCIPAL.

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**Underlying Facts**

Fund Family: Goldman Sachs
Fund Inception: 08/15/97
Advisor: Goldman Sachs Asset Mgmt, L.p.
Sub-Advisor: N/A
Fund of Funds: No

**Manager**

Otness/Parisi/Bamford/Carroll
Start Date: 12/00

**Fund Expenses**

| | |
|---|---|
| Management Fees | 0.99% |
| 12b-1 Fees | None |
| Other Fees | 0.08% |
| Current Expense Ratio (gross) | 1.07% |

All shares purchased through your retirement plan are purchased at Net Asset Value, i.e. without a sales charge.

View fund expense details.

**Investment Objective**

The investment seeks long-term growth of capital. The fund normally invests at least 80% of assets in equity securities in small-cap issuers with market capitalizations within the range of the market capitalization of companies in the Russell 2000 Value index. It may invest up to 25% of assets in foreign securities, including securities of issuers in emerging countries. The fund may also invest up to 20% of assets in companies with market capitalizations outside the range of companies in the Russell 2000 Value index and in fixed-income securities, such as government, corporate and bank debt obligations.

Learn about investment risks.

**Investment Risks**

Smaller company stocks historically have exhibited greater price swings than larger company stocks, and perform differently than the overall stock market.

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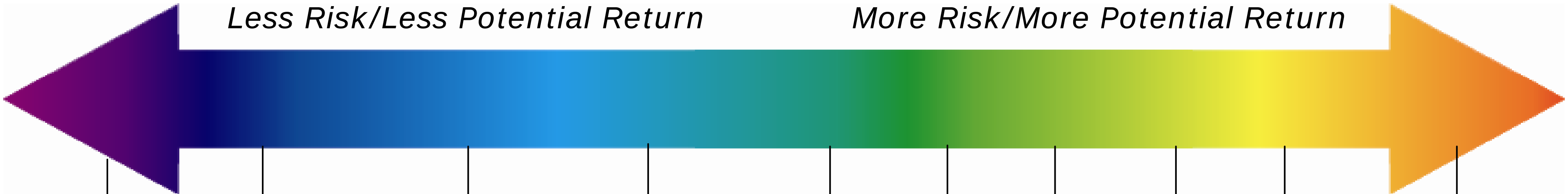
# FUND INVESTMENTS

## Short-Term Risk/Long-Term Return




**Stable Value Fund** (Stable Value)

**Wells Fargo Advantage Tot Return Bond I** (Intermediate-Term Bond)

**American Funds American Balanced R5*** (Moderate Allocation)

**American Funds Invmt Co of Amer R5***

**Vanguard Windsor Adm** (Large Value)

**SSgA S&P 500 Index Fund** (Large Blend)

**American Funds Grth Fund of Amer R5*** (Large Growth)

**Goldman Sachs Small Cap Value Inst** (Small Value)

**Wells Fargo Advantage Small Cap Growth I** (Small Blend)

**American Funds New Perspective R5*** (World Stock)

**American Funds EuroPacific Gr R5*** (Foreign Large Blend)

*Investors should consider the investment objectives, risks, trading policies, charges and expenses carefully before investing. Log on to the Savings Program's website at www.401kaccess.com/oakridge or call 1-800-777-401k for a prospectus, which contains this and other information about the funds. Read the prospectus carefully before you invest.*

*Class R share results for the 10-year period are hypothetical based on Class A share results and have been adjusted to reflect the Class R expense ratio. Please see the fund's prospectus for more information on specific expenses, and the fund's most recent shareholder report for actual date of first sale.

The 401(k) Company provides recordkeeping and related services with respect to retirement plans.

## Factors Influencing Risk and Return:

- Interest rates
- Inflation
- Liquidity
- Credit rating
- Maturity
- Reinvestment

## Investment Risks

Systematic Risk is also known as market risk and relates to factors that affect the overall economy or securities markets:

- **Inflation risk***- This is the risk that inflation will reduce your purchasing power.
- **Interest-rate risk***- The risk that the value of a security will go down because of changes in interest rates. This is the risk that interest rate changes will affect the price of bonds and other fixed income investments and the amount of income investors will receive from these investments.
- **Currency risk**- This risk occurs because many world currencies float against each other. If money needs to be converted to a different currency to make an investment, any change in the exchange rate between that currency and yours can increase or reduce your investment return.
- **Market risk**-The risk of loss due to drastic slumps in the market.

*Inflation risk and interest rate risk are closely tied, as interest rates generally rise with inflation. Because of this, inflation risk can also reduce the value of your investments.

## Manage Your Risk

How you diversify your portfolio is key to moderating your risk and driving your portfolio's performance and is more important than the individual securities you choose:

- Diversify across asset classes with a long-term asset allocation that combines small- to mid-cap and large-cap U.S. securities, international securities, bonds and cash.
- Diversify within asset classes to reduce the risk of concentrations in any one market sector, individual company or country.
- Diversify equity styles by holding both value and growth equity securities to reduce the risks associated with strategies that perform better or worse in certain markets.

Diversification strategies do not assure a profit and do not protect against losses in declining markets.

# Determining the Risk of an Asset Class

Assessing investment risk requires understanding the types of risk a particular category or group of investments exposes you to.

- **Stock –** Because shares of stock don't have a fixed value but reflect changing investor demand, the risk in stock is volatility, or significant price changes in relatively rapid succession.
- **Bond –** Bonds have a fixed value – usually $1,000 per bond – or what is known as par or face value. A bond held until maturity, will get that amount back, plus the interest the bond earns, unless the issuer of the bond defaults, or fails to pay. Market value of bonds decrease with a rise in interest rates. Market prices can also fall if the bonds are downgraded by an independent rating agency because of problems with the company's finances.
- **Cash –** The primary risk you face with cash investments, including U.S. Treasury bills and money market mutual funds, is losing ground to inflation. In addition, money in money market funds usually is not insured.

## Avoiding Too Much Risk

Ultimately, the decision of how much risk to assume in your asset allocation selection is yours. Take these factors into consideration:

- Identify Time Horizon and Goals
- Risk Tolerance Level and Financial Responsibilities
- Review Equity and Sector concentrations and Financial Resources and Modify as you Get Closer to Retirement

***It's important to know your risk tolerance level.***

# Choosing the Right Benchmark:

**Dow Jones Industrial Average** tracks the performance of 30 of the largest U.S. companies, representing approximately 25% of the total value of all stocks listed on the New York Stock Exchange.

**Lehman Brothers Government/Credit Bond Index** tracks the taxable bond market based on 4,000 highly rated bonds.

**Morgan Stanley Capital International EAFE Index** follows non-U.S. companies in Europe, Australia, Asia, and the Far East.

**Russell 2000 Index**, a benchmark for small-company stocks, measures the performance of the smallest two thirds of U.S. companies.

**Standard & Poor's 500 Index**, a "value-weighted" index that gives greater weight to stocks having the greatest market value, is an important benchmark for large-cap investors. It tracks 500 financial, industrial, transportation, and utility company stocks.

**Wilshire 5000 Index**, the broadest stock index, includes almost all stocks traded in U.S. markets.

## Choosing the Right Benchmark:

- Comparing portfolio performance to just one slice of the market can be a mistake. In any given period, there's a surprisingly diverse set of performances exhibited by asset classes.

- If your portfolio contains a combination of stocks, bonds and cash, you should compare its performance to benchmark indices for each asset category.

- The performance of your individual investments should be measured against the index that tracks its asset category and against similar investments in its category.

# Why You Should Rebalance Your Portfolio

- Rebalancing is an important strategy in controlling risk and avoiding poorly timed emotional decisions.
- Rebalancing adjusts your portfolio through time to keep it in sync with your risk level.
- Reallocates your investments according to the percentages you previously selected.
- Regular rebalancing helps instill discipline in your investing process.
- Your portfolio will tell you when it's time to trim from or add to an asset class.
- Automatic rebalancing is only available if you elect to have all contribution sources invested the same.
- Rebalancing occurs on a semi-annual basis and is on your entire account.

# IN SUMMARY

- **Do the Research** - figure out which investments best suit your needs and goals.
- **Get Comfortable** - Knowing how you feel about risk is critical to choosing investments that are right for you.
- **Diversify** - Spreading your money among different investments can help you manage risk and gains in one investment may offset losses in another.
- **Patience Pays** - Volatility is a fact of life in the investment markets. When you're investing to meet long-term goals, stock investments have the potential to outpace inflation.
- **Know When to Walk Away from an Investment**

## How to Make or Change Your Investment Elections:

- Log on to [www.401kaccess.com/oakridge](http://www.401kaccess.com/oakridge).

*-OR-*

- Call Participant Services: **1-800-777-401k,** Monday through Friday, 8 a.m. to 10 p.m. Eastern time.

*-OR-*

- Complete the **Salary Deferral Agreement Form** online or return a paper version to Participant Services by mailing to P.O. Box 684067, Austin, TX 78768-4067 or faxing to 1-512-397-6605.

# Ways to Access Your Account Ongoing:

- **Website:** You may access and make changes to your account 24/7 via **www.401kaccess.com/oakridge**. You'll need your Account Number or Web ID and web password.
- **Voice Response Unit:** Available 24 hours a day at 1-800-777-401k. You'll need your Account Number or VRU ID and Personal Identification Number [PIN].
- **Participant Services Representatives:** Personal assistance is available by calling 1-800-777-401k, from 8 a.m. to 10 p.m. Eastern time, Monday through Friday.
- Easy to understand **Quarterly Participant Statements**.

# FUND INVESTMENTS

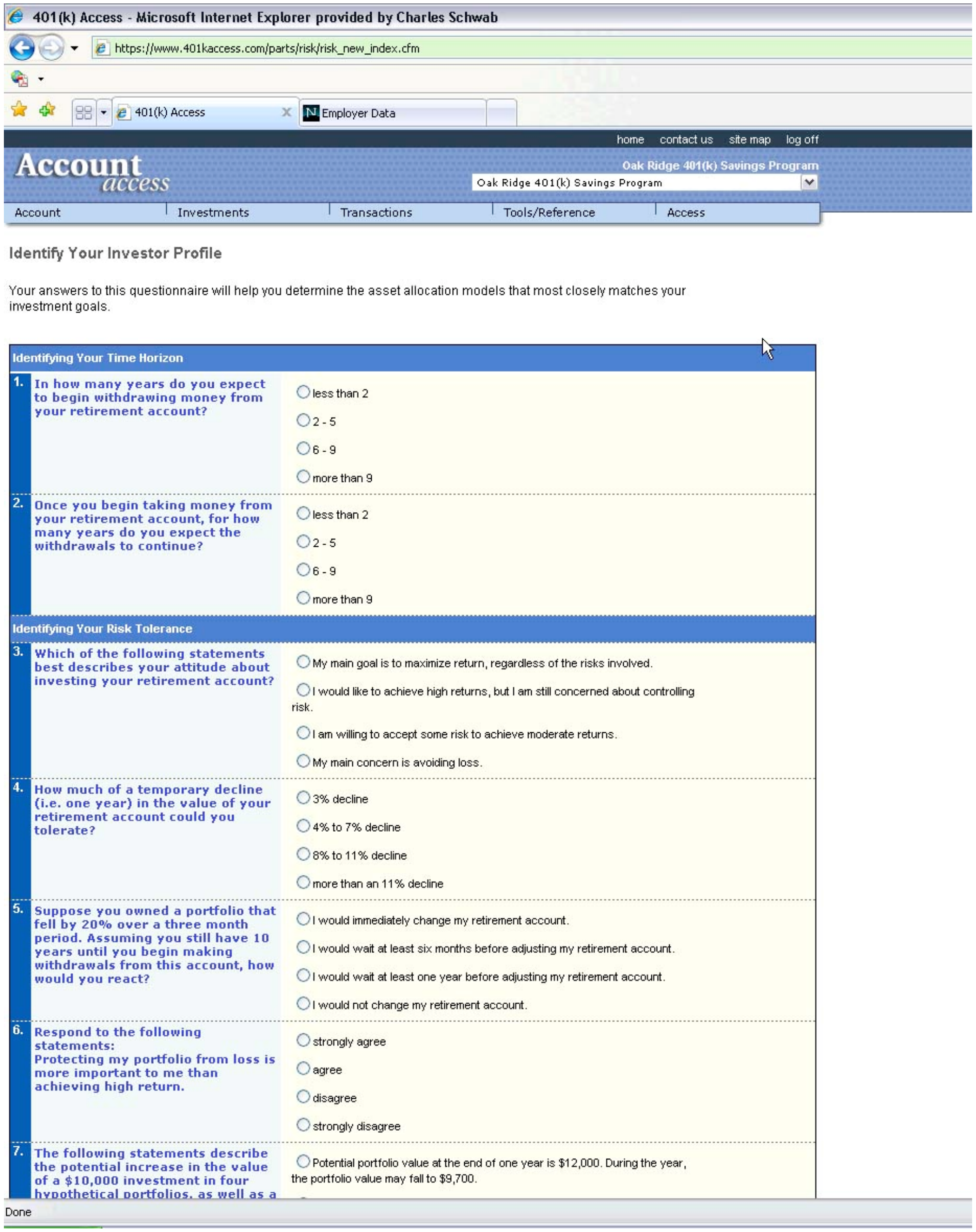
## Investor Profile

Go to [www.401kaccess.com/oakridge](http://www.401kaccess.com/oakridge)

Enter your Account Number and Password

Click on Investments

Select Investor Profile


401(k) Access - Microsoft Internet Explorer provided by Charles Schwab
https://www.401kaccess.com/parts/risk/risk_new_index.cfm
401(k) Access
Employer Data
home contact us site map log off
Account access
Oak Ridge 401(k) Savings Program
Oak Ridge 401(k) Savings Program
Account | Investments | Transactions | Tools/Reference | Access

Identify Your Investor Profile

Your answers to this questionnaire will help you determine the asset allocation models that most closely matches your investment goals.

Identifying Your Time Horizon

1. In how many years do you expect to begin withdrawing money from your retirement account?
- less than 2
- 2 - 5
- 6 - 9
- more than 9

2. Once you begin taking money from your retirement account, for how many years do you expect the withdrawals to continue?
- less than 2
- 2 - 5
- 6 - 9
- more than 9

Identifying Your Risk Tolerance

3. Which of the following statements best describes your attitude about investing your retirement account?
- My main goal is to maximize return, regardless of the risks involved.
- I would like to achieve high returns, but I am still concerned about controlling risk.
- I am willing to accept some risk to achieve moderate returns.
- My main concern is avoiding loss.

4. How much of a temporary decline (i.e. one year) in the value of your retirement account could you tolerate?
- 3% decline
- 4% to 7% decline
- 8% to 11% decline
- more than an 11% decline

5. Suppose you owned a portfolio that fell by 20% over a three month period. Assuming you still have 10 years until you begin making withdrawals from this account, how would you react?
- I would immediately change my retirement account.
- I would wait at least six months before adjusting my retirement account.
- I would wait at least one year before adjusting my retirement account.
- I would not change my retirement account.

6. Respond to the following statements: Protecting my portfolio from loss is more important to me than achieving high return.
- strongly agree
- agree
- disagree
- strongly disagree

7. The following statements describe the potential increase in the value of a $10,000 investment in four hypothetical portfolios, as well as a
- Potential portfolio value at the end of one year is $12,000. During the year, the portfolio value may fall to $9,700.

Done

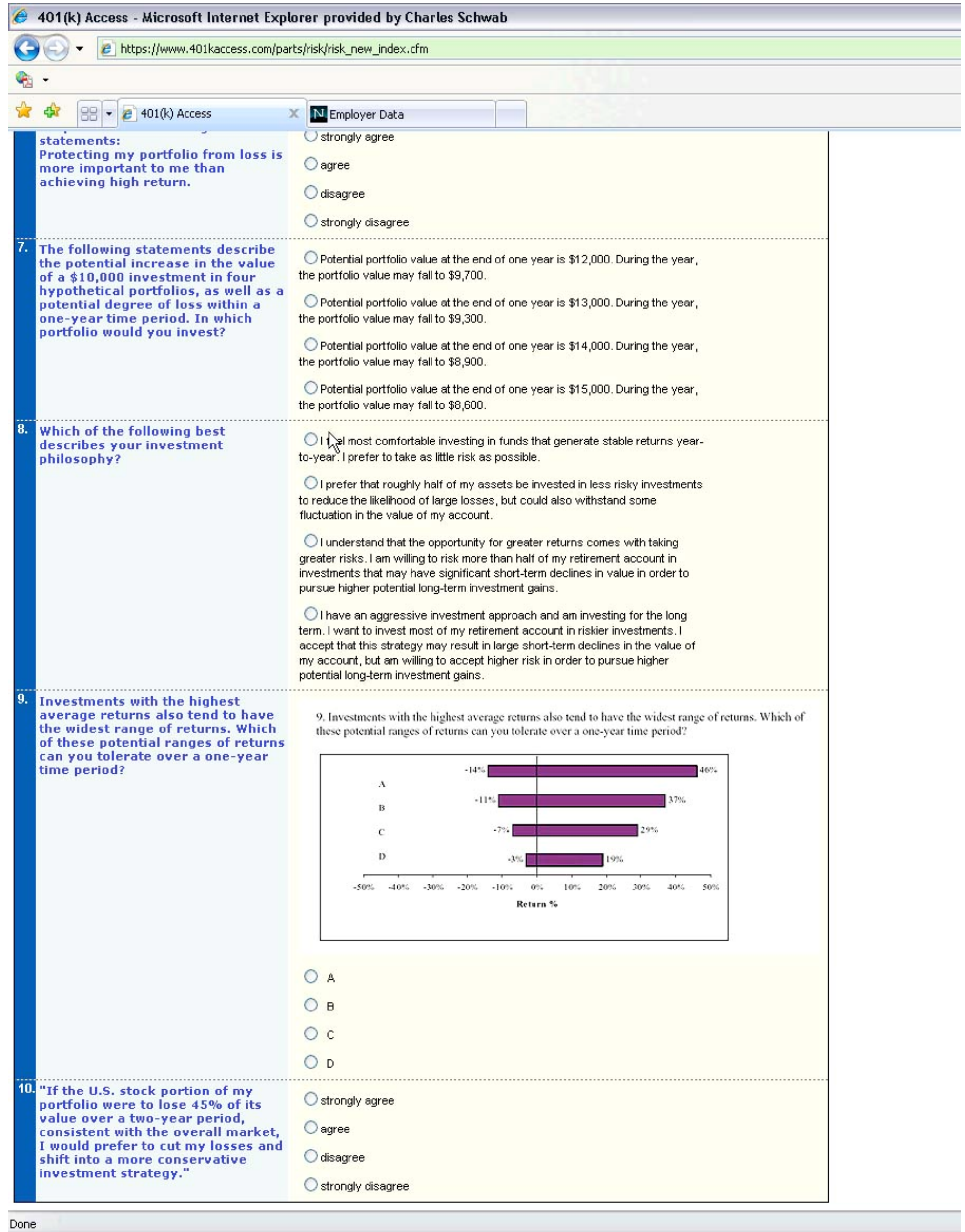
# Investor Profile

Go to
www.401kaccess.com/oakridge

Enter your Account Number and Password

Click on Investments

Select Investor Profile



# FUND INVESTMENTS

## Asset Allocation Models

Go to www.401kaccess.com/oakridge

Enter your Account Number and Password

Click on Investments

Select Investment Models


Asset Allocation Models

The Asset Allocation Models available to you provide portfolios for individuals with different time horizons and risk profiles. Your investment options target different asset classes, such as bonds, stocks of large companies, stocks of small companies, stocks of foreign companies, and so on. In applying any particular asset allocation model to your individual situation, you should consider your other assets, income from other sources, and investments (such as savings accounts, equity in a home, individual retirement accounts, and mutual funds) in addition to your plan account.

You can link to a full description of each of the asset allocation models by clicking below. Before deciding on a model, please read this important information.

Asset Allocation Models

| Fund Name | Asset Class | Conservative Model | Moderate Model | Moderate Aggressive Model | Aggressive Model |
|---|---|---|---|---|---|
| Stable Value Fund | Money Market | 40% | 25% | 10% | 0% |
| Wells Fargo Advantage Tot Return Bond I | Intermediate-Term Bond | 30% | 20% | 15% | 5% |
| American Funds Invmt Co of Amer R5 | Large Value | 7% | 10% | 12% | 14% |
| Vanguard Windsor Adm | Large Value | 8% | 11% | 13% | 15% |
| American Funds Grth Fund of Amer R5 | Large Growth | 9% | 15% | 19% | 23% |
| Goldman Sachs Small Cap Value Inst | Small Value | 0% | 5% | 8% | 11% |
| Wells Fargo Advantage Small Cap Growth I | Small Growth | 0% | 0% | 4% | 8% |
| American Funds EuroPacific Gr R5 | Foreign Large Blend | 6% | 14% | 19% | 24% |
| Total | | 100% | 100% | 100% | 100% |

View Model Descriptions ▸▸

*Investing in a Money Market Fund is neither insured nor guaranteed by the FDIC or any other government agency. Although the fund seeks to preserve the net asset value at $1.00 per share, it is possible to lose money investing in this fund.*

Smaller company stocks historically have exhibited greater price swings than larger company stocks, and perform differently than the overall stock market.

Investments outside the U.S. involve additional risks including political instability, currency fluctuation, and foreign regulations.

**Notes:**

- Asset Allocation Models investment elections affect the investment of future contributions and account redistributions.
- Accounts of those participants electing an asset allocation models will be automatically rebalanced semi-annually to ensure that the percentages are regularly returned to their original investment allocation strategy.

*Losses are more likely when investing for a short period. Investments are not FDIC insured, nor are they deposits of or guaranteed by a bank or any other activity.*

# Asset Allocation Models

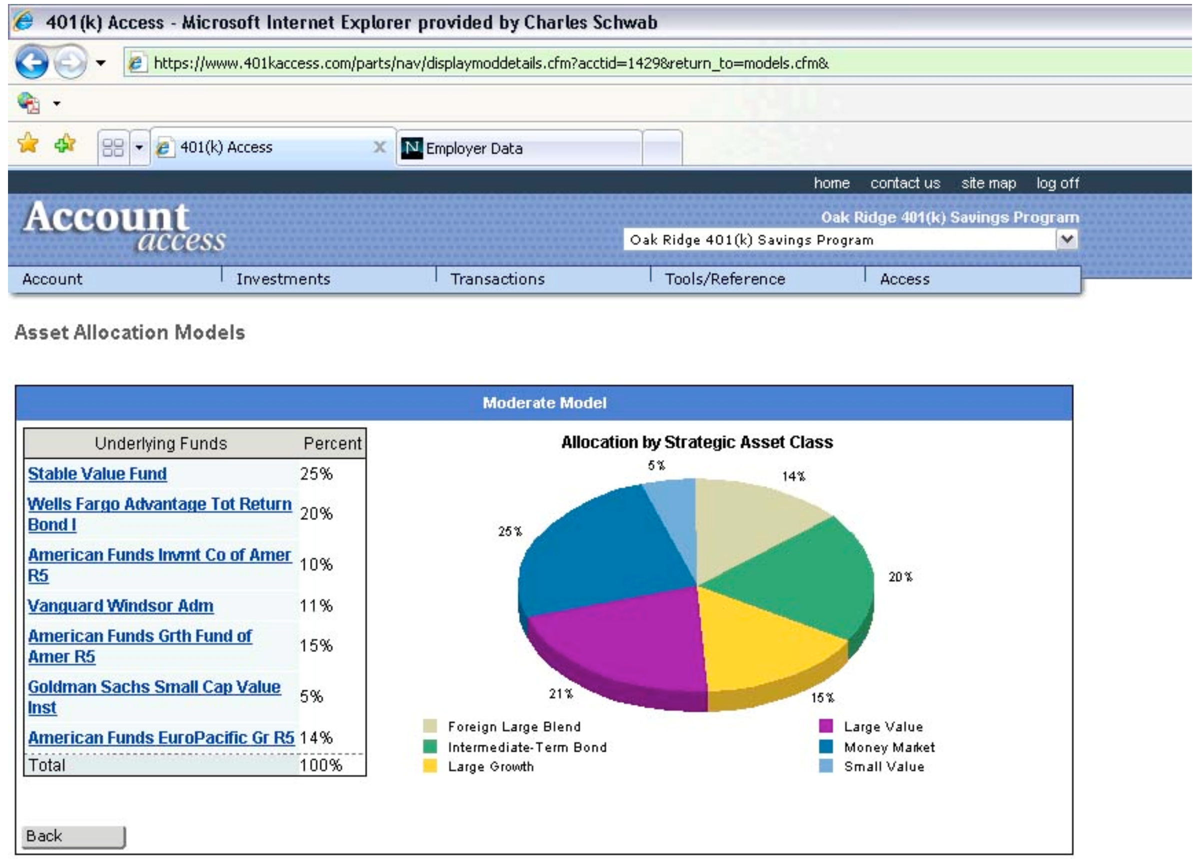
Go to [www.401kaccess.com/oakridge](www.401kaccess.com/oakridge)

Enter your Account Number and Password

Click on Investments

Select Investment Models

Click on Model to View Model Description




| Underlying Funds | Percent |
|---|---|
| Stable Value Fund | 25% |
| Wells Fargo Advantage Tot Return Bond I | 20% |
| American Funds Invmt Co of Amer R5 | 10% |
| Vanguard Windsor Adm | 11% |
| American Funds Grth Fund of Amer R5 | 15% |
| Goldman Sachs Small Cap Value Inst | 5% |
| American Funds EuroPacific Gr R5 | 14% |
| Total | 100% |